Weapons Cost Overruns Put At $26 Billion

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The General Accounting Office says the development of 55 new weapons systems has brought cost overruns totaling $26.3 billion.

The new estimate represents a $7 billion increase during the second half of 1973 alone.

According to the GAO figures, the original estimates to develop the 55 new weapons totaled $111.6 billion, but the cost now is estimated at $134.2 billion, an increase of $22.6 billion. By adding $3.7 billion for quantity reduction to the $22.6 billion, the estimated total overrun reaches $26.3 billion.

Sen. William Proxmire (D-Wis.), who released the congressional agency's report yesterday, said that 13 of the 55 systems showed significant dropoffs in anticipated performance, while only four showed improvement.

He added that 24 of the 55 systems are one year or more behind the planned delivery schedule.

According to the GAO figures, costs of the B-1 bomber rose by $1.67 billion. Other overruns noted were $1.43 billion for the F-15 fighter and $756 million for the Minuteman III missile.

Also included were $417.9 million for the SAM-D surface-to-air missile, $349.9 million for the UTTAS utility helicopter, $394.1 million for the XM-1 tank, and $189.7 million and $91.6 million for parts of the Airborne Warning and Control System.

Proxmire said the costs of building the 30 DD-963 destroyers have risen from the original planning estimates of $1.8 billion to a current $3.1 billion estimate.

"That is an increase of more than 70 per cent and not a single ship has been completed," Proxmire said.

He said the unit cost of each ship has risen from an estimate of $60 million to $102.6 million.

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Costs also have risen sharply for development of the Safeguard anti-ballistic missile system, he noted.

The original planning estimate called for spending $4.2 billion for two sites. The new estimate is $5.4 billion for one site.

Proxmire released the GAO survey in a speech prepared for delivery in the Senate today.

"In any other agency heads would roll and drastic changes would be made to halt the runaway costs and program failures occurring daily in the Pentagon," Proxmire said.

"One of the most distressing facts is that the quantity cutbacks have usually been made because of the cost overruns," he said. "The Pentagon is being forced to buy less while spending more because of its inability to control costs.

"The result is a double whammy for the taxpayer," Proxmire said. "He pays higher taxes and receives less defense for the dollars spent."